

PROPERTY OF
PRINCETON UNIVERSITY LIBRARY
RECEIVED JULY 26 1935

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME IV, NUMBER 46

WASHINGTON, D. C.

JULY 29, 1935

Germany Strikes at Jews and Churches

Protestant, Catholic, and Jewish Critics of Nazi Regime Warned to Conform

RECALLS EARLIER BRUTALITY

Churches Told Not to Place God Before State; Threatened with Punishment

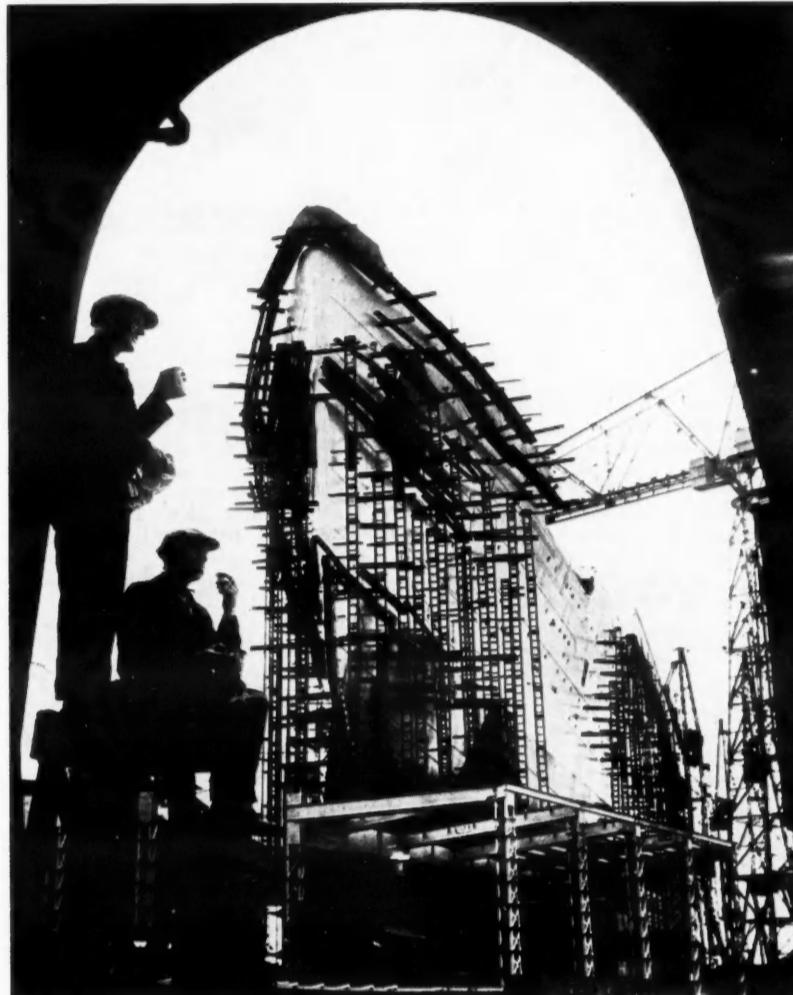
Hitler's government has struck out on three fronts, the Roman Catholic, the Protestant, and the Jewish, in what seems to be a determined drive against all opposition to the Reich leader's policies. During the past two weeks, anti-Jewish riots in Berlin have claimed the attention of all the world, the Roman Catholics have been notified that any further lack of enthusiasm in their pulpits or schools will be punished by law, and a desperate effort has been made to bring all the Protestant clergy into the National Socialist camp. These three attempts, taken together, have produced tension in Germany like that of the famous Blood Purge of 1934. But unlike the Purge, they are directed at all the enemies of the régime, and not against rebels within the party itself. They mean a decided stiffening of Hitler's attitude toward minorities within the German state, and a choice for the minorities between complete support of the régime or open opposition to its policies.

The Catholic Church

The Roman Catholics felt the lash first. On July 18, General Hermann Goering, the Prussian premier and right-hand man of Chancellor Hitler, issued a stirring edict against "political Catholicism." The edict served notice on the church that any criticism of Hitler, or of his party's aims, would be considered a treasonable act. Roman Catholic priests, General Goering declared, "dare not call upon God against the state." The heads of the church "owe respect to and are bound to respect the government. . . . Since all warnings have to date only resulted in misuse of the former indulgence, the minister-president now expects all police and prosecution officials to apply the existing ordinances in their strictest interpretation." Furthermore, those priests who are engaged in the education of youth are acting as "state servants," and they are ordered not only to "refrain from a negative attitude," but to support National Socialism positively, to "enlist their whole person in its support without reservation." Otherwise, they will be subject to arrest and to the full penalties stipulated by Nazi law.

This edict marks a new stage in the relations of Hitler's government to the Roman Catholic church. It brings to a climax the three-year struggle between Nazi officials and the Catholic authorities, which so far has broken out only in occasional criticism of Hitler by Catholic preachers and in the arrest of a few offending nuns and priests. By the terms of General Goering's decree, the government has made its position unmistakable. The edict means that from now on every activity of the church will be subject to official scrutiny. It is a final declaration of war against Catholic opposition to National Socialism, and of

(Continued on page 5, column 2)



AN OCEAN LINER UNDER CONSTRUCTION

© Wide World

An Object Lesson

It is with feelings of revulsion and anger that decent people, all over the world, read of the persecution of the Jews and Communists in Germany. The acts of tyranny and suppression directed against Catholics, Lutherans, and certain political dissenters are repellent enough to those who believe in democracy and freedom, but the physical acts of barbarity directed against Jews and Communists appear fanatical in their brutality. Reasonable people will, of course, make due allowance for exaggeration in the reports coming out of Germany. They will respect the efforts made by the Germans to achieve national unity, and will understand the gravity and complexity of many problems of race, religion, and politics which a people engaged in such a drive toward unity will encounter. But after taking account of every mitigating circumstance, dispassionate judgment cannot vindicate the terrorism which prevails in Germany; cannot excuse the refusal of Germans to treat human beings as such—the insistence of the Nazis upon acts of cruelty inflicted upon individuals because of race or creed or belief.

While we Americans may look with abhorrence upon these German persecutions, there is not much we can do about it. Even if we went to war and conquered the Germans completely, we could not thereby alter their ideals and purposes, as the recent war to end German militarism pretty definitely indicates. But we may gain something by seeing from the outside how ugly acts of repression and brutality are. If we cannot prevent these acts in other countries, we can see to it that we ourselves are not guilty of similar injustices. We, too, have our minority problems. We are not always over-careful of the human rights of Negroes, of our imported Mexican workers, of several other racial elements, or of certain unpopular political minorities. We can scarcely claim that every Negro in America is accorded the justice due an individual human being. The Negro who is competent and ambitious and public spirited suffers a severe handicap in most American communities. It is by no means certain that if he should undertake to realize his economic possibilities as determinedly as German Jews do, he would receive better treatment than they receive. It is not at all certain that life and liberty would be respected among the Mexican workers if they should rebel against the inhuman conditions which prevail among them. And we must confess that those who hold unpopular political ideas and who undertake to express their sentiments, are not physically safe in every American community. If we are indignant over German outrages, we have an opportunity to give expression to our inner longing for justice. We can act for our ideals without leaving our own country.

Reform in Merchant Marine Is Planned

Congress Studies Legislation to Wipe Out Shipping Abuses of Recent Years

PUBLIC OPERATION UNLIKELY

But Greater Control and Revision of Ship Subsidy System Probable Result

One of the important problems with which Congress and the administration are now dealing concerns the government's future policy toward the American merchant marine. At present, that part of the United States shipping industry which handles foreign trade is in a deplorable condition, and has been for some time. Shipping on the Great Lakes and along our coasts—known as coastwise and intercoastal shipping—is not included in this category.

The government has made costly, but more or less unsuccessful, efforts to stimulate the important international branch of our maritime industry. These efforts have been made by means of various federal grants of money, or subsidies, in the form of liberal ocean-mail-carrying contracts and ship construction loans. Some good has been accomplished. But the laws authorizing the ship subsidies were ill advised in the first place, and maladministration of those laws by a few government officials has not worked out in the best interests of the merchant marine. Furthermore, graft on the part of certain private shipping companies has contributed largely to the prevention rather than the stimulation of growth of a merchant marine to which we can point with pride. These facts have been brought forcefully to public attention recently by the startling reports of two government investigations.

Major Issues

President Roosevelt, moved by findings of these investigations, which will be explained in more detail later, has asked Congress for new legislation to provide "an adequate merchant marine." The House of Representatives has passed a bill embodying some of the President's recommendations, but containing other provisions contrary to what he suggested. The bill passed the House by only a small majority because of the uncertainty of presidential favor. Fear of a White House veto, should the bill pass the Senate, prompted its upper-house sponsor to withdraw it from consideration. The understanding now is that the administration is drawing up a substitute measure to present to Congress. It is reasonably certain that further merchant marine legislation will be considered. The President's power to cancel existing ocean-mail contracts expires in October, and it is generally agreed that these will be terminated or that Congress will extend the President's time in which to do so.

Major issues which must be decided in this new shaping of the government's merchant marine policy are in the main concerned over who shall own and operate the American international commercial fleet. Questions such as the following are being discussed: Shall the United States government own and operate the merchant marine? Or should the government merely

(Concluded on page 6)





FIGURES recently released in Washington show that there is a decided improvement in the banking situation in the United States. A comparison of the number of bank failures in recent years bears out this fact. For the first six months of 1935 there were only 14 failures involving deposits of about \$2,700,000. The first six months of 1931 saw the failure of 638 banks, with total deposits of \$420,000,000, while the same period of 1932 was marked by 816 failures, involving deposits of \$489,000,000.

There are several influences responsible for this improvement. One is that most of the weaker institutions were weeded out during the 1933 shake-down, thereby leaving only stronger banks operating. The successful experiment with the present federal insurance plan has been another factor contributing to improvement. In the meantime, the position of all banks has been greatly strengthened by the marked recent improvement in the value of their bonds, real estate, and other assets.

New Attack on F. D. R.

One of the most violent attacks which have been made against President Roosevelt came Sunday when Representative Snell, House minority leader, accused the President of coming "perilously close to what some people call impeachable grounds" by urging passage of bills whose unconstitutionality is questionable. President Roosevelt, in urging passage of the Guffey coal bill, wrote a letter to Representative Hill of the Ways and Means Committee, saying: "I hope that your committee will not permit doubt as to its (the bill's) constitutionality, however reasonable, to block the suggested legislation." Representative Snell accused the President of being "on the border line of violating his oath of office." Part of the President's oath of office is that he "will preserve, protect, and defend the Constitution of the United States." Supporters of the President maintain that he is living up to his oath, merely trying to adapt the Constitution to present-day problems.



© H. & E.
BERTRAND
SNELL

Vacations a "Luxury"

"Well, vacations are more or less of a luxury, anyway."

Those are the words of Senator Borah, mentioned prominently of late as the possible Republican presidential candidate in 1936. The Idaho senator made the statement last week in predicting that Congress will be in session until November 1, and that it is practically certain the inflationary Patman soldier's bonus and the Frazier-Lemke farm mortgage refinancing bills will be ordered as amendments to the President's tax bill. The Patman bill would pay about \$2,120,000,000 to veterans through issuance of "greenbacks." The Frazier-Lemke bill provides a government issue of \$3,000,000,000 real estate bonds which, if not sold to the public, would be deposited with the Federal Reserve Board for cash to take up farm mortgages.

Congress would like to adjourn, but there are three reasons why it remains in session. First, the President insists on enactment of his program increasing taxes of the wealthy. Second, Senator LaFollette has been promised that Congress will not adjourn until that program has been passed on. Third, Senator Harrison, Democratic "whip" and the

best "horse-trader" in the upper house, made the promise to Senator LaFollette. Senator Harrison acquired his reputation by never making, for trading purposes, a promise he did not keep, and he does not now intend to jeopardize his standing.

Constitutional Issue

While Republicans say that they will make "saving the Constitution" one of the major issues in the forthcoming presidential campaign, Sir Josiah Stamp, chairman of Great Britain's largest railway system and a director of the Bank of England, declares that people of the United States fail to appreciate the gravity of the constitutional issue. In fact, Sir Josiah is amazed at the American attitude. "So far from the Constitution being fixed," he writes in the *New York Times*, "and any change or new features treated with great jealousy as something to be undertaken only under direct pressure, it should be a feature of the Constitution that provision for amendment should arise systematically and automatically, and at regular intervals. The burden of political discussion should be what matters are proper to insert in the regular constitutional amendment act of a particular forthcoming year. It would be prepared for with the regularity of a presidential election."

Two Strikes

Recently, a strike broke out in Terre Haute, Indiana. The Columbian Enameling and Stamping Company was involved. About three-fourths of the employees belonged to a labor union. They asked that they be recognized by the company, that the company negotiate with the union about all questions of labor policy. The company refused to recognize the union. It refused to deal with the union's representatives. The union men struck. Then the company brought in strike breakers; imported men to take the place of the strikers, and it hired guards, putting arms into their hands. The work of these private armed guards was to protect the strike breakers until the strike was broken. There were demonstrations by the strikers against the armed men who had been sent in to replace them. There were some disturbances. Finally other unions in the city struck in sympathy with the workers of this plant, and the inhabitants of Terre Haute were seriously inconvenienced for a day or two.

At this point the state government stepped in. It made no inquiry as to the justice of the strike or as to the desirability of permitting the use of force by the company in breaking the strike. The state government decided that all of this was none of its business. The property of the company was to be protected, and no assaults or threats of assault on the part of strikers or their sympathizers were to be permitted. Law was said to be on the side of the company, and the state merely enforced the law.

Another method of dealing with strikers was illustrated recently in Alexandria, Virginia. The women workers, employees of



© Wide World
This is one of three pine tree nurseries near Norris Dam. The government will transplant these trees to protect the South from such disasters as the dust storms of the West.

the Century Manufacturing Company, went on strike. As usual, there were threats of violence. The mayor of Alexandria acted quickly. He sent policemen to the strike area, but he sent them for the purpose of preventing the company from bringing in strike breakers. He felt that this would lead to violence. He took account of the justice of the workers' case. He said that they were underpaid and that Alexandria was not in sympathy with any employer who did not give a living wage. He declared to the strikers, "I sent those policemen down to the plant, and if you saw any of them there, they were there to protect your rights. This government gives you the right to strike, and if anyone interferes with it, they are going to get locked up, not you."

Mayor Davison of Alexandria held a different notion than that which prevailed in Indiana of the duty of government and of the nature of property. He holds, apparently, that a worker's job, as well as the employer's plant, constitutes a right and a claim for protection upon the government. He thinks it is the duty of government to protect a living wage as much as it is its duty to protect private property.

Senate Reverses Decision

On this page in the last issue of *THE AMERICAN OBSERVER* was the statement that on July 16 "The Senate passed by a two-vote majority an amendment permitting price-fixing by the secretary of agriculture, when he has the support of half the handlers of any commodity covered by the bill." The next day, while our note was being set into print, the Senate took into account the decision of the court in Boston which declared the AAA illegal, and reversed its decision.

Relief Problem in Middle West

When South Dakota took 19,000 men off the relief rolls in one fell swoop, it made the most dramatic gesture in the recent movement to supply harvest hands to the midwestern farmers. There will be no further relief for these men until the crops are in, or until all farmers needing aid in their harvesting have been supplied. Relief officials in Washington said that they would cut off relief to any who were offered a job harvesting, and refused it. County by county Iowa has shut down assistance to able-bodied men, and has told them to go to the fields and work. Illinois has done the same in the farming areas in the state. Nebraska has shut down relief work in 26 counties and has reduced it by half in 15. Many men were reluctant to accept \$1.50 to \$2.00 a day working in the fields when they could get 40 cents an hour on relief. Moreover, they were afraid they could not get back on relief after the harvest was over if they leave the rolls now.

Unless the farmers obtain adequate help it is feared that crops will spoil in the fields.



—Courtesy FERA
IN THE MIDWEST RELIEF WORKERS ARE BEING LAID OFF TO PROVIDE LABOR FOR FARMERS

THOUGHTS AND SMILES

People kick so much about the weather that it would serve them right if it were discontinued. —*Washington Post*

How quickly a little publicity makes a two-by-four think he is presidential timber. —*Asheville CITIZEN*

Let me urge that we keep clear of two besetting sins—hardness of heart and softness of head. —*Theodore Roosevelt*

A competition was recently held at a south coast resort to see who possessed the most beautiful nose. Hundreds turned up. —*PUNCH*

Personally we wish there were guinea pigs on which to test the tax rates. —*Dallas MORNING NEWS*

They say. What say they? Let them say. —*Motto of G. B. Shaw*

A popular science writer tells us only a third of an iceberg appears above the surface. Has he tried getting to the bottom of a dandelion? —*San Francisco CHRONICLE*

If Congress does not adjourn pretty soon, the lobby will miss its summer vacation. —*St. Louis POST-DISPATCH*

It is estimated that a fly lays 30,000,000 eggs in a lifetime. The only consolation is that flies can't cackle. —*PUNCH*

Can you remember away back when all an American administration at Washington had to worry about was where to seat Mrs. Dolly Gann? —*New York SUN*

It is a great kindness to trust people with an important secret. They feel so important while telling it. —*Los Angeles TIMES*

There is no duty we so much underrate as the duty of being happy. A happy man or woman is a better thing to find than a five-pound note. —*Robert Louis Stevenson*

Don't worry when you stumble. Remember a worm is about the only thing that can't fall down. —*SOVEREIGN VISITOR*

Einstein says nothing is unlimited. He should see the American's capacity for being fooled. —*Minneapolis STAR*

An evangelist says there is no buying or selling in heaven. Of course not; that isn't where business has gone. —*Washington Post*

The future housewife, says a scientist, will spend only seven minutes a day in the kitchen. We suggest putting the telephone in the kitchen. —*Worcester EVENING GAZETTE*

When a Socialist does it it's Communistic. When a Republican does it it's reactionary. But when a Democrat does it it's unconstitutional. —*JUDGE*

A free civilization is one in which the mass of people can live without destroying their neighbors to make room for themselves. It is only in a reasonably prosperous world that freedom and reason will again flourish. —*Walter Lippmann*

AROUND THE WORLD

Great Britain: Another step in breaking down the machinery of disarmament was taken last week when Great Britain abandoned the naval ratios of the Washington Conference of 1922. These ratios, which were reaffirmed in the London Treaty of 1930, established a 5-5-3 naval building program for the United States, Great Britain, and Japan, the latter being allowed only three tons of naval vessels, for every five tons of the United States and Great Britain.

Since Japan served notice last year that she would not abide by the ratio provisions after 1937, when the London Treaty expires, Great Britain's action is expected to take effect at the same time. Officials in Washington were disappointed, but not surprised, in view of Great Britain's recent naval pact with Germany. Great Britain is faced with the task of keeping up her naval power in the midst of German, French, and Italian increases, and can no longer afford to gear her naval building to that of the United States. Her decision was announced in a speech delivered to the House of Commons by Sir Bolton Eyres-Monsell, first lord of the admiralty.

The British did not completely abandon the idea of international naval conferences. They suggested that the next conference be held in 1942, when the political situation in Europe may once more permit limitations on naval building. But the Washington Conference depended, in the last analysis, on an unarmed Germany. Only if the Germans had kept to the Treaty of Versailles would it be possible for the French and Italians to disarm. But now that Germany has repudiated the treaty, and France and Italy are struggling to keep a superior position, Great Britain had the choice of increasing her navy or losing her supremacy on the seas. That is why she feels that she can no longer limit herself by such rigid agreements as those drawn up by the Washington Conference. The position of the United States is not due for an immediate change, inasmuch as we are not yet built up to the ratio allowed by the treaty. During the past two years, however, appropriations for naval building by the United States have increased, and by 1937 it is expected that the American navy will be as powerful as any in the world.

Mr. Baldwin's government has explained its rejection of the plan for a British "New Deal" submitted by David Lloyd

George, wartime prime minister and leader of the Liberal party. In his explanation, Mr. Baldwin gave an interesting sidelight on what British Conservatives think of the experiments of President Roosevelt.

Commenting on Lloyd George's proposal for a government loan of £200,000,000 (about \$1,000,000,000) to invest in work projects, Mr. Baldwin cited the "horrible example" of the United States. He said that indiscriminate borrowing by the government was a sure road to inflation, financial dislocation, and a loss of business confidence—which are the exact charges made by American conservatives against the Roosevelt policies.

Mr. Lloyd George's agricultural program, which centered on tariffs against agricultural imports, particularly from the British dominions, in an effort to revive native English agriculture, was the object of Mr. Baldwin's strongest attack. Lloyd George claimed that this program, similar to the AAA in its effort to make England self-sufficient, would reemploy 1,500,000 farm workers. Mr. Baldwin retorted that it would do so, if at all, only by increasing prices, diminishing the market for British goods abroad, and raising the unemployment of industrial workers far more than 1,500,000. The AAA has often met the same objections.

* * *

Ethiopia: The Italo-Ethiopian dispute still defies the peace-making efforts of European diplomats. Probably the most important development of the week was the decline in Great Britain's hope that she would be able to arrange a three-power conference, among representatives of Italy, Ethiopia, and the British foreign office. The British have been making no headway with this plan, and they are ceasing their efforts to influence Italy and Ethiopia in favor of it. Instead, they are showing a greater disposition to leave the whole matter up to the Council of the League of Nations.

This, in turn, is an unwelcome development to the French, who are not so willing to stake the authority and prestige of the League on a settlement of the Ethiopian dispute. The French fear that if Italy's trouble with Ethiopia is turned directly over to the League, the Geneva body has small chance to arrive at a satisfactory solution, and that its failure will weaken the power of the League. The French, at the present time, are very eager to keep

the League a going concern, because it is extremely important to them as a bulwark against Germany. Consequently, they have tried to discourage Great Britain from making the Italo-Ethiopian dispute a test case at this particular juncture in Europe's affairs.

With the British and French both trying to avoid the responsibility of intervening in the dispute—the British because of internal political pressure against any risk of war, and the French because they are afraid it would have an unfavorable effect on their international position—the probability of an autumn war in Africa is greater than ever. Mussolini will not be dissuaded by any but the strongest measures, backed by the threat of military force, and it is clear that no European power is prepared to take such measures against him. The United States also has given every indication that it is not prepared to stand in Italy's way, on the basis of the Kellogg anti-war pact or on any other ground.

* * *

Italy: Il Duce has taken a bold step in his effort to supply funds and materials for the Ethiopian campaign. He has suspended the law which provides for a gold reserve of 40 percent for the Italian lira. This is expected to free large sums of gold for the purchase of war materials in foreign countries.

Heretofore, Mussolini has always been an opponent of any tampering with the Italian currency. At one time he said that the Fascists would defend the lira "with their blood," if necessary, from being driven off gold. He has promised the Italian people that they would never suffer an inflation like those which descended on Germany and France when they were off the gold standard in the twenties. Now that he has decreed, in his own name, the suspension of the gold reserve, another proof is added that the Italians are determined on an Ethiopian campaign. Moreover, the Italian dictator may be laying up trouble for himself in the future. The suspension is only temporary, but if the Ethiopian war turns out to be more expensive than he anticipates and large quantities of gold are drained out of the country, it may be difficult to return to gold when the campaign is over. And that would have serious results. It might mean a sudden decline in the value of the lira and an inflation that would go far to undermine the dictator's popularity. European financial observers agree that Il Duce has taken an undetermined risk, to serve his ambitions for African territory.

* * *

Ireland: The ancient antagonism between Protestants and Catholics in Ireland has taken on a violent form. Riots and street fights between the two parties began on July 12 in Belfast, a Protestant stronghold and capital of the six counties of Northern Ireland. Since then disorder has been widespread. Retaliatory riots in the Free State capital city of Dublin have resulted in the injury or death of many Protestants, and the destruction of a great number of Catholic and Protestant shops in both cities.

Religion was the surface cause of the disturbance, but behind that is the tension between the Irish Free State, which is aiming at freedom from Great Britain and the eventual unification of Ireland, and the counties of Northern Ireland that are now independent of the Free State. The Free



© Acme
A NEW DISTURBANCE IN ITALY
Vesuvius spouting huge volumes of smoke and ash in a recent eruption.

State president, Eamon de Valera, has been aggressively pushing separation from England, and speaking openly in favor of taking over the northern counties. But the Protestant north feels that it is economically and spiritually closer to England than to the Catholic Irish Free State.

* * *

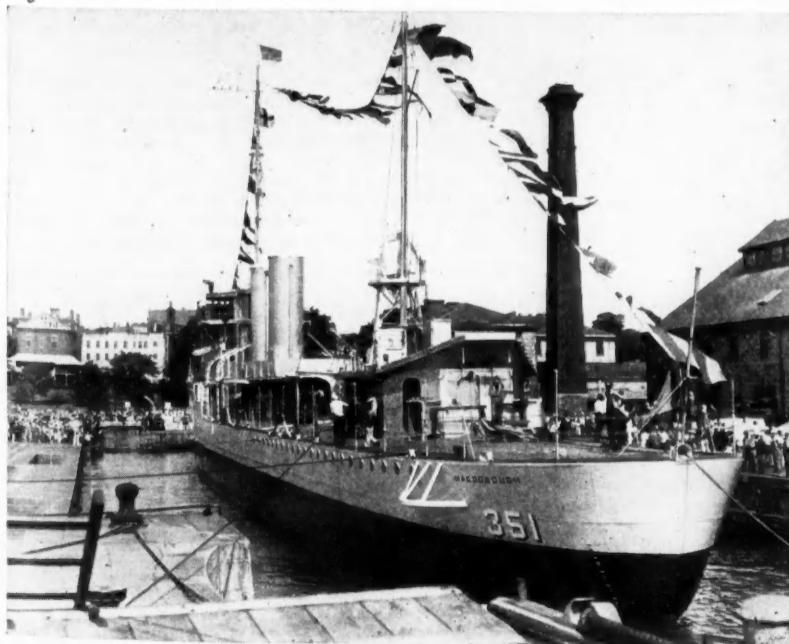
Argentina: The question of the freedom of the press has come up in a new form, this time in the South American republic of Argentina. The Argentine government has just issued a decree that all newspapers, including foreign news correspondents and press bureaus, be put under bond to the authorities at Buenos Aires. Since most of the support for the decree has come from fascist newspapers and from politicians who are agitating for the establishment of a fascist régime, the bond is generally thought to be more significant than it appears at first glance.

A determined opposition to the decree has been led by Argentine newspapers and by foreign newspapermen in Buenos Aires. Many leading American newspapers announce that as soon as the decree is put into effect, they will move their offices out of Argentina and send their dispatches from neighboring countries.

* * *

Persia: Old Moslem traditions are proving a difficult obstacle to the Persian Shah's ambition for Europeanizing his country. A recent government decree forbidding the Moslem fez and ordering all Persians to wear European hats is now meeting unexpectedly violent opposition from Moslem priests, and during the past two weeks the quarrel has broken out into bloodshed.

The trouble reached a head when a group of devoted Moslems concentrated in the mosque of Meshed, defied all the efforts of government troops to disband them, and throughout the city, which is the capital of the Persian-Iranian province of Khorassan and an important Moslem shrine, street crowds attacked those who had conformed to the government's decree and donned hats in the European style. The Shah's troubles are not without precedent, however—the same bitter defiance on the part of Moslem leaders greeted the similar attempts at westernization made by Turkey's dictator, Mustapha Kemal Pasha.



© Acme
WITH NAVAL RATIOS ABANDONED SCENES OF NEW LAUNCHINGS SUCH AS THIS WOULD BECOME MORE FREQUENT

Public Opinion in the Making

A Workable Constitution

The Constitution is nearing its 150th birthday. Millions have read it, thousands have studied it; but from the countless divergent opinions few have understood it. Perhaps no one can conceive correctly the interpretations intended by its writers. The Salt Lake *Tribune* believes that it should be more workable:

There will be more or less confusion, not only in Congress but throughout the country concerning the validity or constitutionality of many measures now pending to strengthen the reform and recovery program of the administration.

The United States court of appeals, sitting in New Orleans, has just handed down a decision in which the constitutionality of the Tennessee Valley act of authorization is upheld. The significance of this fact is that the ruling reverses that of north Alabama.

In Boston, this week, the United States circuit court declared the agricultural appropriation under the Triple-A program to be unconstitutional and void. However, one of the learned judges filed a dissenting opinion, clearly indicating a difference in their understanding of the meaning of the Constitution.

When learned, nonpolitical jurists, appointed for life and because of their profound knowledge of legal issues, are unable to get together in deliberating the constitutionality of an act, there is bound to be a divergence of views among congressmen as well as among their constituents.

It is regrettable, perplexing, and expensive to depend on legal instruments governing legislation and regulating human conduct adaptable to the uses of both sides in a controversy between lawyers and legislators. People wonder why such documents cannot be written, unwritten or amended so their meaning is plain and immune from doubt or dispute.

New Deal Popularity

It is interesting to note the attitude of newspaper editors toward the administration's policies, as newspapers both reflect and create public opinion. *Newsdom*, a weekly newspaper, is conducting a New Deal poll. Of 1,783 editors, from every section of the country, 51.5 per cent are against the administration efforts toward recovery, 32 per cent are in favor, and 16.5 per cent accept the federal programs, but with restrictive demands.

A breakdown of the answers shows the editors five to two against utility enactments and curtailments, an even greater percentage against the labor control asked by federal law, and unanimous opinion that NRA is better shelved for a return of business to private control.

War and Atrocities

An important weapon of warfare is atrocity propaganda which incites prejudice among the peoples of both the neutral and belligerent countries. It is entirely possible that the United States would not have joined the World War had it not been for anti-German propaganda emanating from the Allied nations. With peace now threatened from several sources the public must learn to take their foreign news with a grain of salt. The Washington *News* opens one's eyes to the real atrocity of war:

Ever since the war between Italy and Ethiopia became an even bet, we've been listening for the atrocity barrage. It has started.

Italy officially charges Ethiopian tribesmen with "mutilating children" in a "mass attack" on "the defenseless natives of Eritrean Danakil."



"THAT MULE AIN'T BLIND—HE JUST DON'T GIVE A DARN!"
—Ray in Kansas City STAR

We'd expected something more original. "Mutilated children" was a favorite in the ancient wars between Turks and Christians. In every Balkan war it has been hauled out and served over again. During the World War it saw hard service.

Unofficially, in recent weeks more imagination has been shown. The charge that the Italians planned to scatter chemicals behind Ethiopian lines to burn the feet off the barefooted natives showed more ingenuity. So did the story that the Ethiopians scheme to turn lions loose on Il Duce's men.

We have had more than enough of atrocity stories—which ever side puts them out.

War itself is an atrocity. No nation has ever gone to war, however civilized, that did not commit excesses. Individuals and groups commit atrocities in this and all other countries, even in peace time. War merely affords a larger outlet for cruelty.

The object of war-time atrocity stories is to arouse the public against the alleged perpetrator. Italy seeks to make people believe that, in invading Ethiopia, she is doing civilization's job. Which, of course, is not true.

Italy's aims are economic and territorial, not educational. So if the war has got to come, let's have it out along those lines. Let's have done with propaganda tales of mutilated women and children. A single bomb, dropped from a plane, one of "civilization's" proudest creations, will mutilate more innocents in the fraction of a second than a whole tribe of wild Danakalis could manage in a day.

When there are atrocities, let's charge them up to war—not to any particular race or nation. In war both sides are guilty. War makes savages of us all.

Work-Relief Wages

The Los Angeles *Times* registers a complaint against high work-relief wages, which were originally scaled so low that criticism flowed more in the other direction:

Another stone has fallen out of the crumbling foundation of the work-relief program with the ruling by Administrator Ickes that "State directors may disapprove any rate to be paid, other than a rate predetermined by law or ordinance, if it is less than the prevailing union rate."

While this is absolutely contrary to the President's original order fixing wages under the \$4,880,000,000 fund and nullifies the basic purpose, there is no doubt that the change is approved, if not actually inspired, by the Chief Executive. It means merely that the administration has again knuckled to the American Federation of Labor for political reasons and that one of the very few redeeming features of the work-relief plan has been scuttled.

The "prevailing union rate" of pay is almost universally higher than that paid in private industry for the reason that it represents a hypothetical scale which organized labor would like to get but which, under present economic conditions, it very seldom does. So that, if this revised regulation stands, the government will be outbidding business for the latter's own workers. All that a man with private employment will need to do to get the government's higher pay will be to quit his job; automatically he becomes one of the "unemployed" and eligible for "work relief"—so long as the \$4,880,000,000 lasts. When it is gone his former employment is likely to be also gone—killed by impossible government competition.

In combination with union domination of the industry provided by the Wagner Act and the new ruling of the FERA that strikers may not be required to take other work unless their union consents, this newest administration howler will very seriously jeopardize not only private employment but private endeavor as well.

Voluntary Advice

When Governor Landon of Kansas delivered a radio speech recently, people who listened liked him. He is also liked by taxpayers who desire economy and efficiency in office. He was mentioned as a possible candidate for president. So Kansas editors received letters asking questions about him and giving advice. William Allen White, editor of the Emporia *Gazette*, compiled a list of suggestions from fans who believe that, like a public utility, a prominent citizen should be regulated. Here are some:

Keep sweet.
Go to bed early.
Avoid poker in hot weather.
Eat your carrots and spinach like father and Popeye!
Keep your pores open.
Get down plenty of fruit and take a pill now and then for luck.
Keep your fingers crossed in the presence of flatterers.
Saw wood and say nothing.

Remedy for Lobbying

What reforms will be derived from the congressional investigation of lobbying? One type of lobbying, the informative type, is beneficial, and need not be cured. But Raymond Moley, editor of *Today*, suggests that the condemnable type of lobbying may be removed only when all elected and appointed officials attain office through strength of character:

I suspect that when the present flurry of investigation is over we shall know very little more about lobbying than we knew before. Certainly we shall not have found the golden mean by which the process of government can be calm, unruffled and untainted by human frailties.

We shall probably recognize certain things more clearly, however. Lobbying should be more and more a matter of public record and knowledge. Interests should select lobbyists with more care and discrimination. The status of the lobby is not raised when it consists in too great a part of men whose records range from indecorum to shadiness. If lobbying is right, let the right people do it.



IT MUST BE FUN TO BE PRESIDENT
—Herblock in Winfield DAILY COURIER

But in the last analysis, the protection of the public interest must be the character, judgment, and ability of its elected and appointed representatives. It is impossible to provide a weak man with a code of conduct that will protect him from improper pressure by a strong man. He must protect himself through his own integrity and common sense. If a congressman is not a man of first-rate integrity and of fair intelligence, no rule can protect him from insidious pressure.

Success in Government

One of the most successful government agencies erected to combat the depression is the Reconstruction Finance Corporation, headed by Jesse Jones. In an address last week Chairman Jones declared:

If the government had not come to the rescue of business in this distressing period from which we are just recovering, business would have been prostrate.

When he mentioned the RFC in particular, he said:

Our operations have proven that the government can do business in a businesslike way and with as good results as private business. To have disbursed on loans and investments five and one-half billion dollars during the depression, and having already gotten more than one-half of it back, and without any pressure whatever, is not only evidence of the very marked recovery, but demonstrates clearly that the American people will pay their debts if given an opportunity.

British Naval Policy

With England discarding the naval ratio treaties, there is little else in prospect but a run on the public purse, and this at a time when money is needed throughout the world for more socially moral projects. The New York *Times* forecasts the future:

Announcement in the House of Commons by the First Lord of the Admiralty that Great Britain would henceforth disregard the naval quotas fixed by the Washington treaty came as no surprise. It naturally followed the action of Japan last December in giving the required notice of the nullifying of that treaty. In the face of strong indications that the Washington treaty will not be extended or rewritten, the First Lord regretted that Great Britain could do nothing but accept the inevitable consequences.

However, a plan for the future was outlined by the First Lord. In 1937, or thereabout, each nation would be asked to submit its naval program. Each one would, of course, assert that it contemplated only national defense. Very well; let the corresponding ships be built and then in 1942 have a general international conference to agree upon cuts all around. The theory would be that then each nation would have completed its naval defense, so that no other could attack it, as the First Lord said, with any "hope of ultimate success." Having thus ingeniously reached this state of naval deadlock, the world would consent to think of the taxpayer and begin to lower naval expenditures. This sounds so simple-minded as to be almost funny, but it is a good illustration of the circles and mazes into which disputants about naval strength are always led when they begin to match ship with ship and offset one naval problem with another. It does not obscure the fact that Great Britain has resolved to build up her fleet speedily, just as she has greatly to enlarge her air force, all in the name of national defense.

THE AMERICAN OBSERVER

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD HAROLD G. MOULTON
GEORGE S. COUNTS DAVID S. MUZZEY
WALTER E. MYER, *Editor*

PAUL D. MILLER, *Associate Editor*

Among the New Books

"Was Europe a Success?" by Joseph Wood Krutch (New York: Farrar and Rinehart. \$1).

Mr. Krutch is a liberal, who fears that the struggle between fascism and communism will be fatal to all of those freedoms of thought and person which are a part of the European tradition. He distrusts any dictatorship, whether of the left or of the right. He is skeptical of any attempt to prove that a given course of development is "inevitable," and believes that if we concentrate on our democratic freedom, we will probably come closer to a satisfactory adjustment in the end than if we renounce it and hand over our problems to a political dictator.

The weakness of his position is that he is forced to talk in somewhat unreal terms, as if we were about to make a choice on paper between two or three systems of government, one of which, liberal democracy, is now operating. He professes to know little about economics, and this, too, is a serious omission in a critic of the fascist and communist programs. But those who are interested in the probable effects, on art, thought, and education, of dictatorial politics will find Mr. Krutch's little book an admirable statement of the liberal point of view, and an excellent summary of the achievements of the European mind. Mr. Krutch has put in concrete form the impact on our mental habits which any thoroughgoing change in the basis of society would be bound to bring.

"The Pascarella Family," by Franz Werfel (New York: Viking. \$2.50).

The author of "The Forty Days of Musa Dagh" here traces the history of an Italian family living in Naples. The six children are held down by the father with a rigid brutality which reminds one of the dramatic version of the Barrett family. Until the father's business is thrown into bankruptcy, the children can neither lead a life of their own nor develop their own personalities. With the financial debacle comes release. The family splits, the three boys going to Brazil and the girls saddled with responsibilities theretofore unknown, but released from the iron domination of the father. The book is filled with elements of tragedy. At times it is overworked and becomes tedious, but in the main is an outstanding piece of fiction.

"The Kings of Beacon Hill," by Christine Whiting Parmenter (New York: Crowell. \$2).

This novel has to do with the Kings who are representative of all that is the best of the Bostonian aristocracy, typified by residence on Beacon Hill. It is an extreme jolt to the family pride, especially to Mrs. King's, when one of the sons marries a commoner, a mere candy clerk. Much of the story hinges around the new daughter-in-law, Sandra. As might well be imagined, she is not taken to the family's bosom with enthusiasm; in fact, some members of the family snub her piteously. But Sandra lives from day to day, and before the three decades covered by the story have elapsed, she comes into her own. Mrs. Parmenter's novel is one which will appeal to all discriminating readers because of her depth of understanding of human character and the skillful execution of a really worthwhile plot.

"America Faces the Barricades," by John L. Spivak (New York: Covici Friede. \$2.50).

Like Sherwood Anderson's "Puzzled America," this book is the record of a tour of the United States, undertaken to discover the extent and the character of our present difficulties by interviewing representative men and women everywhere. But while Mr. Anderson was content with a poetic, impressionistic, approach, Mr. Spivak knew pretty well what he was looking for, and had very definite ideas about the American economic problem before he set out on his travels. John L. Spivak is a Communist party member, and one of the

leading radical journalists in the country.

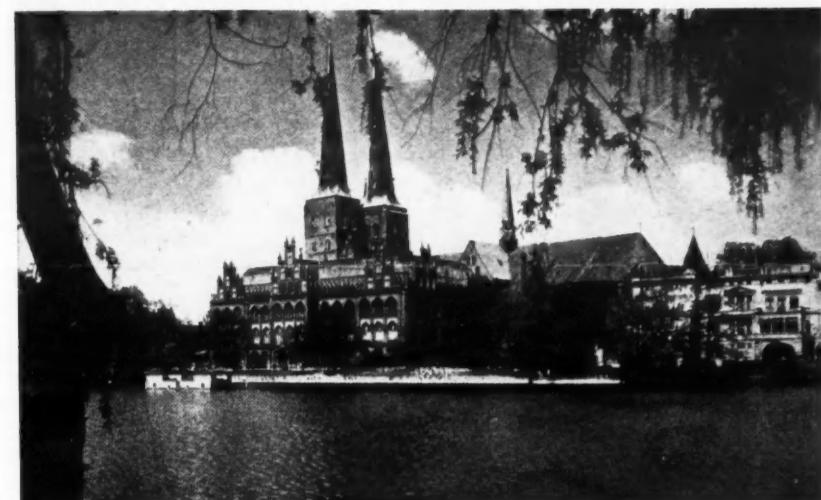
He is also an excellent reporter. His method was to ask general questions: "What do you think your chances are?" "Is the New Deal doing you any good?" and to record the answers as completely as he could. He saw a great variety of people, ranging from officials in Rotary and town Chambers of Commerce down to the southern share-croppers and the migratory workers who follow the crops across the country, living in ramshackle, temporary huts and tents. He found considerable dissatisfaction, the hope that Roosevelt might be able to "fix things," and a touching patience on the part of underprivileged men and women. His conclusion is that the United States does not want a revolution yet, but that the failure of the New Deal to bring decent standards of living and security to the people may make them revolutionaries against their will. This book will make excellent reading for any one who thinks that the American masses are still too comfortable for social change.

Germany Strikes at Jews and Churches

(Continued from page 1, column 1)
Hitler's determination to tolerate no lukewarm support of his program.

There are many reasons for the enmity between Hitler and the Roman Catholic church. At bottom, their purposes are hard to reconcile. National Socialism aims at an aggressive revival of German patriotic feeling and the German military spirit. The international Roman Catholic church believes that mankind is a universal brotherhood, striving for love, understanding, and peace. The church is an institution that extends all over the world. Many Germans are Roman Catholics, but so are many French and many Austrians and Polish and Italians. A party which is founded, like National Socialism, on the desire to avenge Germany's defeat and suffering at the hands of the Allied Powers seems, from the Catholic point of view, a division in the church itself.

From the beginning, National Socialism has had a definite attitude toward organized religion. The churches will be allowed to exist as long as they make their aims secondary to the aims of the state. The Roman Catholic clergy must be German before it is Roman Catholic. Youth organizations, built on loyalty to the international ideals of the church, must not compete or conflict with the Hitler youth. Catholic education must teach what the state wants, no more and no less, or it cannot remain in Catholic hands. The church, in other words, has its uses as a department of the



THE LAKE AND CATHEDRAL AT LUBECK, GERMANY

state, but if it attempts to supply leadership of its own and to criticize the policies of the government, it will not be tolerated.

That is the negative part of National Socialist policy. If it meant only that the church would have to refrain from political action, and live peacefully under a government which it did not approve, the tension between Hitler and the church might never have developed. The Catholic church has a long history, and it has often had to adjust itself to an unfavorable political régime. But the National Socialists have also been making positive efforts to set up a new religion. Only last month, under Nazi auspices, the old pagan festival of the summer solstice was celebrated at Mount Hesselberg. Nazi leaders like Alfred Rosenberg have preached that Adolf Hitler is the successor to Christ. Dr. Josef Goebbels, the minister of propaganda, has called for a religion founded on German nationalism and the worship of German gods. This tendency has been a profound shock to the Catholic church. If the government demands active support of the new religion from Catholic priests, and attempts to enforce its demand by law, a fundamental clash between Hitler and the Catholics cannot be avoided. The church has made concessions to the government in countries where its members are a minority. But if its priests are ordered to preach that Germany's old pagan gods are returning to lead the German state into a new era, and that the teaching of Christ is anti-German and must be suppressed, they will be forced to refuse. The church sees the conflict not as one between religion and the state, but as a struggle between two religions.

Hitler, on the other hand, is determined that the church will not stand in his way. He believes that everything should be subordinated to the interests of the Nazi revolution. In 1933, the German government and the Vatican signed a concordat, in which the Catholics promised to refrain from political activity in return for freedom of worship. But that was before the anti-Christian movement of the Nazi party had become a serious menace to Catholicism. It is very doubtful that the Catholics will consider themselves bound by the concordat any longer. They believe that Hitler has violated his part of the agreement. And it is just as doubtful, as the edict showed, that the Nazis intend to let the concordat interfere with government suppression of Catholic criticism. The fact is that the concordat no longer covers the situation. The truce between the two parties is, for all practical purposes, at an end, and their relations have become critical.

The Protestants

The Nazis are also pushing their effort to exact an oath of allegiance from all members of the Protestant clergy. Already several Protestant clergymen have been sent to prison because of their refusal to take the oath.

which in their eyes placed loyalty to Hitler before loyalty to God. The Hitler régime has had just as difficult a time with the Protestants as with the Catholics. They, too, see in the new proposals for a national, Aryan, patriotic cult a direct menace to Christian teaching. Some clergymen have refused to submit to military training, and have been subjected to imprisonment for that refusal.

But the root of Hitler's trouble with the Protestants is his desire to appoint their ranking ecclesiastical official. The German Protestants have always fought to keep their church free of the state. In 1933 Hitler ordered that the churches be placed directly under Reichsbishop Ludwig Mueller, who in turn was responsible to the Nazi party. After two years of effort, the Nazis have not been able to secure universal recognition of Reichsbishop Mueller's authority. The trend of battle has changed at intervals—for long periods the Chancellor did not press Mueller's claims, and was content to let the matter rest until the churches yielded. At other times he has stood behind Mueller in wholesale reforms of the clergy, removing from ecclesiastical office those ministers who were outstanding in their opposition. But in the past two weeks this campaign to bring the Protestant churches under the authority of the state has been driven ahead with energy and decisiveness. The crisis is not so severe as that with the Roman Catholics, but there is no doubt that the conflicting claims of the Protestant clergy and the National Socialist party are bringing on another open rupture within the German state.

The Jewish Problem

Nothing in Hitler's Germany, however, has attracted so much attention from the world as his policy toward the Jews. Systematically the Germans have been taught to regard the Jews as their enemies. Jewish speculators have been blamed for the suffering which followed the post-war inflation. Jewish agitators have been held up as responsible for the growth of Communism, to such an extent that "Jew" and "Communist" are treated as practically synonymous. And in any revival of the old German spirit, which the Nazis want to found on the German language and the German blood, the Jews are considered as enemies who must be rooted out. Everything which the Nazis hate—Communism, internationalism, racial mixture—they have succeeded in identifying with the Jews. It is hard to feel that the Jews have not been made the scapegoat for all of Germany's troubles, no matter how diverse or how remote from any connection with the Jews they may be.

The past two weeks have seen not only anti-Jewish riots in the streets of Berlin, but a great growth of anti-Jewish legislation throughout Germany. In several towns, laws have been passed forbidding the use of beaches and swimming pools to the Jews. The town council of Osann-on-Mosel voted the following resolution, which foreign observers call typical of the recent developments: "No Jew or Jewess is permitted to move into Osann. No Jew

(Concluded on page 7, column 3)



THE SWASTIKA IN ACTION
—Elderman in Washington Post

The American Merchant Marine

(Concluded from page 1, column 4)

own the vessels and allow private interests to operate them? Should the government pursue a "hands off" policy, allowing private concerns to own and operate the ships? Or should the present private-ownership, private-control system by means of governmental subsidy be continued? There are numerous variations to these questions. Answers will doubtless be made in the administration bill when it is presented to Congress. Before reviewing the reasons why these issues have come up, let us



© H. & E.
SENATOR HUGO BLACK
Chairman of the special Senate committee which investigated the U. S. merchant marine subsidies

first see why "an adequate merchant marine" is so important.

Two of the principal arguments why our nation—or any other large-scale international trading country—should possess an adequate merchant marine hinge on the possibility of war. First, during the time of wars between other countries, a neutral trading nation—such as the United States was during the first half of the World War—finds its export markets expanding enormously. With an adequate merchant fleet the neutral nation can take quick, profitable advantage of growing trade possibilities. It so happened that the American merchant marine was woefully inadequate at the opening of the World War. While our exports increased enormously, we nevertheless missed great opportunities to sell our commodities to foreigners. Secondly, should this country go to war, an adequate merchant marine will serve as a valuable auxiliary to our powerful navy. Without the merchant marine to act as a "right arm" to the fighting fleet, the latter is severely handicapped. We need modern merchant ships which can be armed in emergency and equipped to transport soldiers, munitions, and food supplies in case we enter war.

But there is another very significant and more timely reason why we should have an adequate merchant marine. This is the reason: International shipping is a huge industry, involving the expenditure of millions of dollars. Thousands of workers are used in carrying it on. Were our merchant marine what it should be, many American workmen would have steady employment. Producers of American commodities which are marketable abroad would be assured of regular, speedy, and not-too-costly transportation of their goods regardless of economic or war disturbances elsewhere. As it is at present, foreign shipping interests are taking most of the business which American shippers might have. As

a matter of fact, during the last 10 years more than 75 per cent of America's international shipping has been done by foreign ships. It is, therefore, to our economic advantage to have an adequate merchant marine.

Why Issues Arose

The maritime problem of today, as well as many other of our national problems, can be dated from World War times. As mentioned previously, the World War brought a severe shipping crisis to this country. The United States government, in an attempt to meet the emergency, created the United States Shipping Board, which launched a gigantic ship-construction program. By the end of the war the government had acquired 2,500 ships. Some of these, notably the German liner *Vaterland* (known to us as the *Leviathan*), were seized from enemies after we entered the war. But most of the vessels were built outright, at great expense because of wartime prices. Even while owning this merchant fleet, however, the United States government did not directly operate most of it. To private managing operators was entrusted this function. Only one line, the United States Lines (sold in 1929) was operated by the government.

After the war the government faced the problem of what to do with its merchant ships. Eventually most of them were sold to private interests at sacrifice prices. Also, the government hoped to foster new ship construction through governmental loans at low interest rates. To stimulate the industry further, Congress authorized the granting of liberal voyage-expense payments and ocean-mail contracts. By these means it hoped to provide America with an adequate merchant marine which would be privately owned and operated. Slight changes were made in these laws in 1928, but the general purpose remained the same.

Now ship subsidization is not a new thing. It has been practiced in one way or another from the time Queen Isabella financed Columbus' voyage to the present when every maritime nation subsidizes its merchant marine. Although the United States government granted various ship subsidies in years before the World War, it was not until the post-war period that it made its greatest subsidization ventures. Especially is this true of the last seven years, during which time more than \$140,000,000 in federal funds has gone into United States ship subsidies. In the face of these facts, the question is natural: "What has taken place in the industry since our government started its costly attempts to provide an adequate merchant marine?" Let us look at a few of the outstanding findings of the two government investigations, one made by a special Senate committee, the other by the Post Office Department.

Ship Subsidy Graft

Certain unscrupulous private shipping operators, seeing an "easy thing" in the

government ship subsidy system, proceeded to amass excessive profits at the government's expense. For instance, one line was organized with a total cash capital of only \$500, and operated government-owned ships for three and a half years. At the end of this time the company had made more than \$6,000,000 profit! Some operators, working through a complicated system of interrelated corporations, drew so many salaries that it was difficult for them to remember the names of the corporations when questioned by the Senate committee. Only in a few instances, the committee report charged, were there any legitimate or honest reasons for the existence of these complicated networks and corporate organizations. The president of one company which controlled more than 50 subsidiary organizations received compensation of more than \$900,000 in one year, the investigation disclosed. Some shipping companies diverted government-granted funds from foreign trade to use in competing unfairly with nonsubsidized coastwise and intercoastal shippers. This was in direct disobedience to the spirit of the law. Flagrant maladministration of the shipping laws by certain government officials is another regrettable page in ship subsidy history. The laws called for competitive bidding for mail routes. The officials, however, practically eliminated competition on bids. As a result, ocean-mail has suffered considerably, the government has needlessly spent millions of dollars, the shipping interests have profited unjustly. And despite the government's efforts, the United States merchant marine is far from being adequate, as can be seen by the fact that foreign ships handle the great share of our trade with the rest of the world.

What to Do?

While the government's attempt to stimulate new ship construction has not been a complete failure, only about half the number of ships supposed to have been built have been put into use. Shipping operators are now reported to be financially unable to meet their agreements with the government. The number and tonnage of American vessels has declined every year since 1921. Most of our present ships are slow and out of date. Should an emergency such as that of 1914 occur, our merchant marine could not meet it. The government has loaned so much money to shipping interests that the merchant fleet cannot truthfully be said to be "privately owned," and obviously it is not "adequate." The expenditure of millions of dollars of American taxpayers' money to provide an adequate privately owned and operated merchant marine through government subsidy has resulted in more failure than success.

What is to be done about the situation?

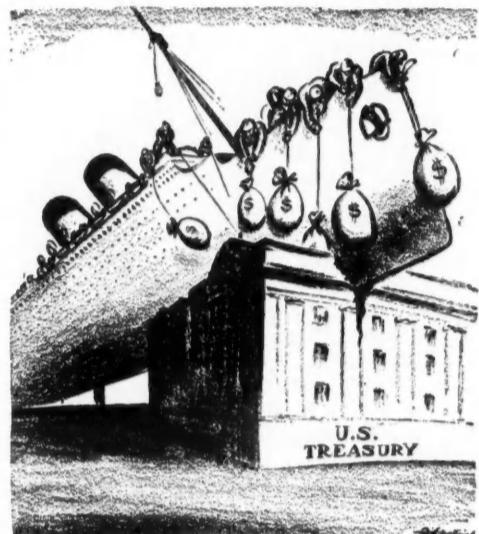
The answer, it seems, is to be the usual one: try new legislation. What this legislation will consist of we do not yet know, but it is fairly certain that the administration's bill will conform in part to official recommendations which have been made during the last few weeks.

There is general agreement, first of all, that some changes should be made in the present ship subsidy system. Some officials advocate major changes, others recommend only minor ones. There is one body of opinion that would like to go so far as to have

the government own and operate outright the merchant marine. Those who take this position argue that the shipping industry is clothed with a public interest and therefore should be publicly owned and operated. They say that private interests have proved their inability to build a merchant marine capable of competing with foreign nations. The entire shipping industry, it is argued, is in a chaotic condition and will remain so unless the government takes it over.

Other Suggestions

This is the extreme radical viewpoint. It is bitterly opposed by the extreme conservative position. The conservatives put forth their conventional criticisms against gov-



THE SUBSIDY RACKET
—Fitzpatrick in St. Louis Post-DISPATCH

ernment operation. They say that if politicians were to gain absolute control over the shipping industry, abuses of such a grave nature would arise that the past corruption and graft would seem mild in comparison. Most of the conservatives would be willing for the government to exercise strict regulation over the shipping industry, but they are insistent on maintaining private ownership and operation. A plan has been suggested that might be satisfactory to these people. It calls for the establishment of a new office in the Department of Commerce. The function of this office would be to determine the amount of construction and operation subsidies, to regulate ocean transportation rates, to review labor problems, to plan construction and efficient operation of vessels. But the shipping industry would still be owned and operated by the different private companies.

There is still another viewpoint, however, that is opposed to both of those we have mentioned. Those who adhere to it favor government ownership with private operation. Under this system, they say, the government could exercise close supervision to prevent graft, and thereby make for better operation. It could lay down certain rules and regulations under which the private companies would operate. It could enforce these rules and regulations far more effectively, proponents say, by owning the merchant marine than if it were merely trying to do so from the outside looking in. At the same time, private initiative would be retained, and the obstacles of complete political control would be overcome.

Thus we have three different positions, and, of course, there are others. Of these three, however, a majority of official opinion made public thus far seems to favor government ownership with private operation. Not until the new bill appears, though, will we know definitely what the administration will propose. Advocates of new legislation say that with proper enactment and enforcement of new shipping laws America will have more, better, and faster merchant vessels—in other words, "an adequate merchant marine."



SHIPS OF THE WORLD MEET IN HONG KONG HARBOR
© Ewing Galloway

Hours Increased, Wages Cut Since NRA Abandonment, Reports Show

Two months have now elapsed since the Supreme Court decision on the Schechter case, in which the NRA was held unconstitutional. While a great deal of attention has been paid to the probable effects of this setback on the Roosevelt administration, and on the whole New Deal structure, comparatively little interest has been shown in the actual results of the decision on business conditions. Yet there is abundant evidence that the Schechter decision has had a profound effect on the labor policy of American employers. Scarcely had the Supreme Court rendered its verdict before a flood of complaints came in about the return of old-time practices which the NRA was designed to correct, and which, while its terms were being respected by employers, it did correct.

Investigations Made

Of course, it is impossible to know exactly what is happening in factories and offices now that the NRA has been abandoned. There is no way of knowing how general the increase in working hours has been, the reduction in wages, the cutting of prices, and the return to competitive practices which are known to be "unfair." A number of scattered investigations, however, are being made. They have gone far enough to show the main trend of working conditions during the last two months. The American Federation of Labor, in particular, has been keeping an eye on the behavior of employers free of the code restrictions. From the reports which it has received from its representatives throughout the country, and from the complaints which have been lodged by its affiliated labor unions, it is fairly clear that wage slashing and hour boosting are widespread.

Perhaps the most thorough investigation in this field is that which is being conducted by the Board of Investigation of the NRA. The main function of this board, part of the skeleton structure of the original organization remaining after the code authorities were dissolved, is the study of current business conditions. Its reports are based on a number of different sources—on investigations made by its own field agents, by labor union officials, employers' organizations, other government departments, and independent information agencies. It will soon report its findings to the President.

So far as the board has been able to determine, the smaller business enterprises have been most active in cutting wages and prices, and in increasing the hours of labor. The shoe industry provides an outstanding example of competition. Its factory units are commonly small, and there is sharp rivalry not only among the manufacturers but among the various groups of

laborers in the industry. The result is that each factory is constantly on the lookout for ways to reduce its costs, and that the resistance of the laborers to wage cuts is weakened by their division among themselves.

Effects of Competition

Last June, for instance, 20 workers in a Haverhill, Massachusetts, shoe factory protested a fall in wages and increase in hours. No sooner had their protest been made public than a group of shoe workers in near-by Lynn informed the Haverhill employer that they would be willing to give him even better terms if he moved his factory to Lynn. Faced by this threat of unemployment, the Haverhill workers withdrew their protest. The general wage decrease in the shoe industry has been over 15 per cent, and hours have been increased 20 per cent. In some sections minimum wages have been cut from \$13 a week to \$6. The whole difference, of course, has not gone into the pockets of the manufacturers. They have cut the price of shoes. But in one way, the board found, the price-and-wage-cutting policy has worked against the manufacturers' as well as against the laborers' interests, for the jobbers have been unwilling to place large orders at a time when prices are dropping rapidly. They will wait for rock bottom, and with no wage or hour restrictions still in force, rock bottom may still be a long way to go.

In the restaurant business, another undesirable trend has appeared since the end of the NRA. Restaurant owners in the state of New York, which has a minimum wage for women, are threatening to replace all their women employees with men unless the wage law is repealed. Men can be hired in New York for any wage at which they are willing to work. In general, the board finds, the service industries such as restaurants, hotels, and gasoline stations are showing a strong tendency to return to the 12-hour day and the seven-day week, with wages descending to early depression levels.

Price cutting in almost all the smaller industries started at once, and it is stated that there are few drug stores in New York City which are not selling some items below cost in order to attract patrons. Meanwhile the effect has been felt by their employees. In men's clothing shops wages have dropped 10 per cent, and hours have increased from 40 to 48 or more.

The Larger Industries

The disappearance of code restrictions has had less effect on the larger industries, such as mining, steel, and automobile manufacturing. For this many observers have a simple explanation. They say that the larger industries are waiting, because they are afraid of the present Congress. If they were to initiate wage cuts and hour increases, the changes could not be concealed. They would be made grounds for agitation by labor leaders, who would be certain to press wage and hour legislation unfavorable to the employers. The unions expect prompt action in reducing wages and lengthening the work day in these industries as soon as Congress adjourns.

When the NRA, with its provision for government guarantees of collective bargaining, was overthrown by the Supreme Court, it was widely predicted that the labor unions would lose ground. They had gained while the act was in effect, largely because of their efficiency as a single unit for collective bargaining with employers. But it does not appear that this prediction was justified. Instead, the labor unions have continued to gain in membership. Furthermore, their poli-



© Acme

WITH THE NRA ABOLISHED STRIKES THREATEN TO BECOME MORE SERIOUS THAN DURING THE SUMMER OF 1934

icy has become more militant, now that they feel they have only themselves to depend on. Strikes, and the threat of strikes, have been more common as the workers sought to maintain the advantages which they had enjoyed under the codes. The miners have tried to force passage of the Guffey Coal Bill, which would set up a miniature NRA in the coal industry, by the threat of a general strike. The same line has been taken by the Amalgamated Clothing Workers of America, long one of the most successful and determined of the labor unions. They have succeeded in raising a fund of almost one million dollars to fight for the maintenance of the code standards of employment.

From these scattered returns—and others might be cited which point to the same trend—it is apparent that the abandonment of the NRA has had a fairly general effect upon the workers of the nation. If the present trend continues, the effects of ruthless cutthroat competition are likely to make themselves more acutely felt in a further reduction of wages, increase in hours, and cutting of prices. And with all this, there are as yet no indications that the business revival which was supposed to follow the removal of governmental regulation of industrial practices through the NRA is about to materialize.

NEW VIOLENCE IN GERMANY

(Concluded from page 5, column 4)

can rent or buy a house or land in Osann. No craftsman, merchant, or any other citizen can get work in town or orders who has had anything to do with a Jew. Purchases from Jews mean treason against the people and the nation."

Of course, it is very difficult to know how widespread, or how serious, the present burst of anti-Semitism has become. Often isolated incidents are made to seem, in the world press, more representative than they really are. But the appointment of two notorious anti-Semites to high posts in the German administration, replacing men who have not been eager to carry out the anti-Semitic program, is fair ground for supposing that anti-Semitism has accompanied the government's campaign against the Catholic and Protestant clergy. Admiral Magnus von Levetzow, who has been criticized for his leniency toward the Jews, has been succeeded as chief of the Berlin police by Count Wolf von Hellendorf, a leader in the anti-Semitic movement. At the same time Dr. Hans Kerrl, one of the most advanced Nazi racial and religious theorists, was selected to fill the new post of Minister of Cults. In this position, Dr. Kerrl will be in charge of the treatment of Catholic and Protestant problems, as well as the main lines of Jewish policy, and it is fair to say that his appointment comes as a victory for the more extreme elements in the National Socialist party.

Diplomats and observers all over Europe

are speculating on the significance of this threefold campaign against the enemies of the Hitler government. Since it was accompanied by a more threatening tone toward other and less important enemies, such as the Stahlhelm organization of veterans, many believe that the Hitler régime is serving notice of its strength, and ending the period during which internal troubles made it difficult to take a thorough line against the opposition.

Others, however, pointed to the government's budgetary difficulties and the relative failure of Germany's plan to win agricultural self-sufficiency. They say that the Nazis' failure to bring economic recovery to Germany has naturally made the party leaders eager to divert attention to other concerns, such as the racial and religious one, in which nothing but force is needed to give the appearance of success. In this view, the effort to arouse emotional resentment over the Catholics and Jews is of a piece with Hitler's recent emphasis on rearmament and foreign policy. It is an attempt to unite his followers in some action on which they can all agree, and to avoid a split on economic issues where their interests and desires are not in harmony.

There is no doubt that Hitler is facing serious domestic troubles. Prosperity has not been brought to the German people, and in many directions the economic situation has grown worse. German exports are declining just at the time when Germany has found that she will have to import essential foodstuffs. New taxes on German business, to raise a fund for subsidizing undeveloped German industries, are being hotly debated by manufacturers and influential trade leaders. But none of these difficulties appears, to the outside world, critical enough to make a violent distraction necessary.

But whether the government's confidence in itself or its desire to build a smoke screen for its failure is the explanation of the recent edicts and decrees, the long run result is almost certain to operate against the future of National Socialism. The churches are far older than Hitler, and influential in ways that a political leader can never quite overcome. If Hitler continues on his policy of humiliating the churches and making them subservient to his party, he is certain to rock Germany to its foundations and to lay the ground for a dangerous opposition, always ready to swing the balance in a crisis. The churches, more than any other enemy that Hitler can make, have time on their side. And furthermore, the events of the past two weeks have reacted very unfavorably on Germany's position in the eyes of the world. Protestant, Catholic, and Jewish leaders in other countries fear that the brutality and excess which flourished in the early days of the Nazi revolution may be returning, and are calling on their governments, not only to frame strong diplomatic protests, but to use the boycott of German goods as an economic weapon against the Hitler régime.



—Kirby in N. Y. WORLD-TELEGRAM
RUNNING WILD

SOCIAL SCIENCE BACKGROUNDS

TO COMPLETE the picture presented by last week's discussion on this page, we must look at the counterpart of the metropolitan community, the rural sections of the country, and the changing problems and conditions

Rural life affected by farm decline

which have arisen since the beginning of the century. The economic, social, cultural educational, political, and psychological aspects of rural life are as essential to a full view of

American civilization as are these same phases of the urban regions of the country.

The basis for the changing character of rural life is essentially the same as that of the metropolitan community; that is, the changing status of American agriculture. We cannot here go into the details of the decline of agriculture since the latter part of the nineteenth century. The main facts are well fixed in the minds of most of us. What interests us here is not the causes of this great economic transformation, but its effects upon the general pattern of rural life, the small village, the hamlet, and the countryside. It would be a mistaken view of things, however, to attribute all the changes in rural life of the last two decades to agriculture. Many other factors, notably greater communication and transportation facilities, have been responsible for the trend which is now so discernible.

That the traditional rural pattern of the last century, although still portrayed in literature, has, in actual life, passed almost completely, few will deny. The isolated village or hamlet, almost completely shut off from the outside world; the neighborhood groups, whose social life was almost entirely of their own making; even the single farmhouse with only an occasional contact with the village or hamlet—these things have, for the most part, disappeared from the rural scene. Although thousands of them still exist, it is becoming rarer to see the old-fashioned country schoolhouse or country church alongside the road. The day of isolation from the outside vanished with the advent of the automobile, improved roads, and more recently, the radio. All these developments of the present century have tended to standardize American life, to make the cleavage between city and country less marked than before.

THIS process has been aided by a number of other developments, not the least important of which has been the constant shifting of population, until the onset of the depression at least, from country to city. By this inter-

Standardization of life results from changes

mingling of the population, many of the barriers, principally social, which formerly clearly differentiated rural life from urban life have been broken down. A more in-

tangible influence in bringing about a more or less uniform attitude on important public problems has been noticeable during the depression. On the part of the city dweller, especially the industrial worker, has come the realization that his well-being and prosperity is in no small way dependent upon economic conditions prevailing among the agricultural population. Likewise, it seems to have dawned on the inhabitants of the rural areas that they are doomed to permanent poverty unless the buying power of their urban customers can be increased sub-

stantially.

Whether due to this fusion of ideas and attitudes between rural civilization and urban civilization or to other factors, principally economic, the village and country population of the nation has during the period we are study-

The Dilemma of Rural Communities

By David S. Muzzey and Paul D. Miller

ing followed the trend of the cities. The birth rate of the rural sections has shown a tendency to decline, although the present rate of growth is much higher than in the urban regions. Despite the declining birth rate, however, it is still sufficiently high, especially among the strictly agricultural groups, to replace the existing adult population, leaving a surplus of population. As Frank Lorimer and Frederick Osborn say in their "Dynamics of Population," the effects of this are likely to be as follows:

The present large rural-urban differential in reproduction rates necessarily involves a constant tendency towards the accumulation of surplus population in agricultural areas. There were 2,665,000 white children and 589,000 Negro children under five years of age on rural farms in the United States in 1930. . . . On the basis of ratios and quotas cited above, we may estimate that in the case of the whites 61.7 per cent of these children would be sufficient to replace the adult population from which they are derived, leaving an excess of 38.3 per cent, or slightly over one million white children under five years of age. Similarly, we may assume that among the Negro children there were some 200,000 children, more or less, in excess of the number needed for replacement. These figures indicate a surplus of some 1,200,000 children accumulated in the rural-farm population, above replacement needs, during the five-year period, 1925-1929. Such disproportionate accumulation of rural-farm population is likely to continue indefinitely, although to a reduced degree. This situation can only be compensated by a constant stream of young migrants from farms to cities as they reach ages of economic productivity. At times of economic disturbance this population movement is likely to be dammed up. In any case, the inertia involved in change of residence tends to cause a further imbalance between agricultural and industrial production—to say nothing of the current desire to reduce agricultural productivity in relation to industrial productivity.

AS WE noted in the case of the urban regions, there is a tendency for the rural sections to group themselves around the village center. Thus, as the large city exerts a strong influence over the various component parts of the metropolitan community, so the village tends to have a definite sphere of influence over the surrounding country and the hamlets located nearby. Coöperation

Cooperation seen in meeting common problems

between the different units in facing their problems has been apparent in many places. We find, for example, that the schools and churches have been consolidating their efforts in an attempt to eliminate waste and duplicated services. Such a trend, however, has not been carried far enough, for there still remain tens of thousands of schools and other social institutions which might well be merged in the interest of efficiency and economy.

While the rural inhabitant, particularly the farmer, is still perhaps the most ruggedly individualistic of all Americans, the last two or three decades have seen a certain breaking away from the traditional philosophy. The rise of coöperatives among the farmers, by means of which efforts are pooled, is one indication of the change. A number of other organizations, such as the 4-H clubs of boys and girls, point to the breaking down of the isolationist philosophy of a generation ago and the establishment of a more collectivist attitude on a number of common problems.

It is true that the many attempts on the part of the

government to solve the farm problems have exerted a tremendous influence in this direction. Under the Federal Farm Board of the Hoover régime coöperative organizations among the farmers were encouraged. The movement has been carried even further under the agricultural program of the Roosevelt administration.

ONE of the most acute problems confronting the rural community of today is that of political administration. It has long been recognized by students of political trends that the various political units, the county, township, etc.,

Change in political administration needed

are inadequate to the needs of the twentieth century. Much of the waste involved in local government could be eliminated if the whole system of county government were overhauled.

But there are many difficulties which stand in the way of a practical solution of this problem. It may be that many of the functions now performed by the county government could better be handled by the state government, or at least by a larger unit than the county. Not only is there strong opposition to such a regrouping on the part of the political officials who benefit from the organization of pioneer days, but the inhabitants of the rural sections are themselves set against any innovations in the functions of government. This problem is one which demands courageous and enlightened action on the part of citizens and public-spirited officials.

The future pattern of rural life in America will largely be determined by policies adopted by the national government. What happens to American agriculture in the next decade or two is the all-important question for the rural sections of the country. If the American farmer continues to lose his position in the markets of the world, his status will decline and the rural life of the country will undergo drastic changes. If, on the other hand, steps are successfully taken to revive the foreign markets which contributed so mightily to the prosperity of the American farmer, a larger number of people may find a profitable living in agriculture. The surplus of rural population will be reduced and the general dislocations caused by the present maladjustment of agriculture will have been corrected. As the authors of the section on rural life in "Recent Social Trends" see it, the crux of the whole problem lies here:

IF AMERICA further reduces her international contacts by continuing various isolationist policies, then farmers who in other times supplied half the nation's exports face the necessity of radical reorganizations of farming procedures, particularly in the specialized crop areas of cotton, livestock and the bread grains. Corresponding reductions in rural population and readjustments in standards of living will follow inevitably. . . .

On the other hand, if world commerce is restored and city markets are revived, then agriculture and rural life will look for further changes in the general direction of the movements traced in this chapter. To be

sure, many readjustments of other character will be required. For example, little improvement can be hoped for as long as the farmers' buying power is so far out of line with that of people of urban communities. Only an approximation to some such relationship as existed in 1910-1914 or in 1929 can prevent definite lowering of family and community standards in rural areas, for under present conditions the actual debt of the farmer has increased several fold in terms of the commodities by the sale of which he must pay his debts. Similarly, taxes have quadrupled and only scattered efforts have been made to change the outmoded base upon which they are assessed or the outgrown system by which they are levied.

Something to Think About

1. What, in your opinion, would be the best method of establishing an "adequate merchant marine" for the United States?
2. Why is the shipping industry vested with a public interest? Do you think this interest would justify government ownership and operation of the American merchant marine?
3. How does the principle of ship subsidies resemble that of tariffs or processing taxes on agricultural products?
4. What are the sources of Hitler's trouble with the Catholic church? With the Protestant clergy?
5. On what grounds do the Nazis justify their anti-Semitic campaign?
6. What do you think is the reason for the present violent outbreak against Catholics, Protestants, and Jews, in Germany?
7. What are the similarities between the Roosevelt New Deal and Lloyd George's program for Great Britain?
8. How has the abandonment of the NRA affected the workers of your community? How has it affected general business conditions?
9. Why have many of the large industries been holding out against wage cuts and the lengthening of hours?
10. How is the future of rural life in America likely to be altered by the status of American agriculture?
11. Do you think the state government of Indiana was justified in calling out troops in the Terre Haute general strike?

REFERENCES: (a) More Aid for Shipping? *The New Republic*, July 10, 1935, pp. 245-247. (b) Ship Subsidies and War. *The Nation*, March 20, 1935, pp. 321-322. (c) Our Depressed Merchant Marine. *Saturday Evening Post*, February 2, 1935, p. 26. (d) Hitler and the Jews: a Christian View. *Missionary Review*, July, 1935, pp. 327-332. (e) German Churches Loyal but Protesting. *Christian Century*, July 3, 1935, p. 876. (f) Church and State in Germany. *Commonweal*, May 24, 1935, pp. 93-94.

PRONUNCIATIONS: Mustapha Kemal Pasha (moos'tah-fah kay'mahl pah'shah), Riza Khan Pahlevy (ree'zah kahn' pah'lay-vee), Buenos Aires (bway'nos i'rayz-i as in ice), Eamon de Valera (av'mon day' va-lay'rah), Khorassan (ko-rah'san-o as in or).